



Attn: Penny Berry
Department of Natural Resources
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RECEIVED E-Mail

MAY 19 2011

Div. of Oil, Gas & Mining

Hi Penny,

As you are aware, CML Metals Corporation is in the process of posting an additional \$1,300,000 to cover increased Surety costs related to the construction of the Concentrate Plant. During our review of previously posted bonds, we noticed that two bonds of the amounts \$126,900 and \$55,200 respectively, were posted using Cashier's Checks. In order to make posting of Surety go more smoothly and efficiently in the future, CML Metals would like to lump all previous postings into one account.

It is our intention of posting an additional Surety amount of \$1,482,100, which is the equivalent of the already requested \$1,300,000 and the two Cashier's Checks. Please find enclosed the MR-SITES related to the two checks, and supporting documentation.

Thank you for your help,

Alys D. Pedersen
Mine Geologist

!

CML Metals Corporation
6249 West Gilbert Industrial Court
Hurricane, UT 84737
P: 435.627.1899
F: 435.627.1411

MO210008
Task ID# 4154
cc: Lynn
Pawl

Form MR-Site/Bond Release
(December 21, 2006)

Application for Site and/or Bond Release

Operator/Permittee: <u>CML Metals Corporation</u>	
Mine/Project Name: <u>Comstock Mine</u>	
File Number: <u>M/021/008</u>	
Check One: <input checked="" type="checkbox"/> Large Mine <input type="checkbox"/> Small Mine <input type="checkbox"/> Exploration	
Check one: N/A	
<input type="checkbox"/> Partial Release of a <u>portion</u> of the mine site: Acres to be released: _____ Acres Remaining: _____ Specify Area: _____	
<input type="checkbox"/> Full Release of a <u>portion</u> of the mine site: Acres to be released: _____ Specify Area: _____ (A new map will need to be provided for the Notice or plan removing the released area from the disturbed or bonded area.)	
<input type="checkbox"/> Partial Release of entire mine site: Total Acres to be released: _____ (Backfilling and grading are completed)	
<input type="checkbox"/> Full Release of entire mine site: Total Acres to be released: _____ (Vegetation is established and has survived three growing seasons.)	
Amount of Existing Surety: <u>CML Metals Corporation</u>	
Amount of Surety requested for release: <u>\$126,900</u>	
Reason for Bond Release Request: This was a cashier's check written to the State of Utah on 8/26/2008 and CML Metals Corporation would like this released since the funds are replaced with the surety bond posted on 5/18/2011 (see attached supporting documents).	
Complete this section if the money released from this application is to be used as surety for future disturbance. Release bond on: _____ Acres (specify area) _____ Apply Bond to: _____ Acres (specify area) _____	
Check Applicable Boxes	DESCRIPTION of RECLAMATION ACTIVITIES COMPLETED (Describe any variance(s) that have been granted, date activity completed)
<input type="checkbox"/> Wells Plugged / shafts sealed	
<input type="checkbox"/> Disposal of debris & other materials incident to mining	

	Drainages, reestablished & stable	
	Structures demolished / removed	
	Regrading Completed – Slopes, pits, highwalls in stable condition	
	Meets Postmining Land Use (Indicate Landuse)	
	Roads Reclaimed	
	Dams, Impoundments, Ditches, Pits reclaimed	
	Topsoil respread – amendments added	
	Erosion Controlled	
	Vegetation meets 70% of premining cover and has survived three years for full bond release – or has survived one year growing season to maintain small mine status.	

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments and obligations, herein.

Dale Gilbert

Print Name

Dale Gilbert

Sign Name, Position

President and CEO

5/18/11

Date

Return to:

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Phone: (801) 538-5291 Fax: (801) 359-3940

FOR DOGM USE ONLY:

File #: M/ /

Approved:

Bond Adjustment: from (\$)
to \$

O:\FORMS\Bonding Forms\Bond-Release\site-bond-release-applic.doc

MO210008
Task ID# 4154
cc: Lynn
Paul

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<input type="checkbox"/> Partial Release of entire mine site: Total Acres to be released: _____ (Backfilling and grading are completed)	
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Amount of Existing Surety: <u>CML Metals Corporation</u>	
Amount of Surety requested for release: <u>\$55,200</u>	
Reason for Bond Release Request: This was a cashier's check written to the State of Utah on 3/12/2009 and CML Metals Corporation would like this released since the funds are replaced with the surety bond posted on 5/18/2011 (see attached supporting documents).	
Complete this section if the money released from this application is to be used as surety for future disturbance. Release bond on: _____ Acres (specify area) _____ Apply Bond to: _____ Acres (specify area) _____	
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Dale Gilbert

Print Name

Dale Gilbert President and CEO

Sign Name, Position

5/18/11

Date

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Department of Natural Resources
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FOR DOGM USE ONLY:

File #: M/ /

Approved: _____

Bond Adjustment: from (\$) _____
to \$ _____

O:\FORMS\Bonding Forms\Bond-Release\site-bond-release-applic.doc